



RECEIVED
CITY CLERK
C&C OF HONOLULU

MAY 16 9 52 AM '05

CITY COUNCIL

CITY AND COUNTY OF HONOLULU

HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

REVISED (5/13/05)

NEWS RELEASE

May 13, 2005
For Immediate Release

Contact:
Lance Tomasu
Telephone: (808) 527-5711

VACATION RENTAL LAW CHANGES INTRODUCED AT CITY COUNCIL

Honolulu City Council Chair Donovan Dela Cruz and Councilmember Barbara Marshall today proposed changes in the regulation of vacation rentals that would enable inspectors to crack down on violators but allow more bed and breakfast units in communities that desire them. "This is the beginning of a long process," said Council Chair Dela Cruz, "We look forward to gathering input from the community and working with the City Administration." Councilmember Marshall said the legislation is an effort to answer concerns by some neighborhoods which don't want vacation rentals while allowing bed and breakfasts in communities which welcome them.

The City in 1989 banned any new Transient Vacation Units (TVU) and Bed and Breakfasts (B&B) in residential districts. But the provisions of the Land Use Ordinance made enforcement nearly impossible—and illegal vacation rentals proliferated to the point where illegal rentals are blatantly advertised. The proposed legislation would make advertising vacation rentals without a permit number a violation in itself, thus allowing inspectors to cite violators more expeditiously. With this new legislation, all holders of legal permits for TVUs and B&Bs would have to post their permit number and street address on all advertising—from internet ads to a brochure. Fines will range from up to \$1,000 for the first violation to \$5,000 for the third violation within one year.

The proposed legislation, at the same time, lifts the outright ban on B&Bs in residential areas—allowing the operation of up to two bedrooms in a residence as bed-and-breakfast units, with a permit to be issued by the Department of Planning and Permitting, under strict controls, and with acceptance by neighbors. Such permits would require a substantial annual fee to provide for additional enforcement. Owners of current legal B&Bs would be grandfathered in at the current rate paid for their conditional use permits. There is no provision to expand the number of transient vacation units—TVUs—which are the source of most complaints to the City.

Because the legislation proposes amendments to the Land Use Ordinance, approval is a lengthy process. The two resolutions (05-186 and 05-187) must first be approved by the full Council, then sent to the Department of Planning and Permitting, which will study the proposals before sending them to Planning Commission, which then recommends action and sends the amendments back to the Council for a full round of three Council and two Committee hearings.

At any point in that process, the proposals could be amended. But before any of that, the Zoning Committee, which is chaired by Councilmember Marshall, will hold public informational briefings: 4 P.M. Wednesday, June 1, in the City Council Chambers at Honolulu Hale; 6 P.M. Thursday, June 9, in Room 105, Hale Akoakoa, Windward Community College; and 7 P.M. Monday, June 13, Old Waialua Courthouse at 66-207 Kamehameha Highway in Haleiwa. These briefings are informational only. No votes will be taken.

Both councilmembers are well aware of the passions involved in this issue and sincerely hope that the proposals will offer enough to both sides so that everyone can cooperate to mold satisfactory changes to the current, nearly-unenforceable law.